

REQUEST FOR PROPOSALS

**For the Collection, Transportation Processing
and Diversion of Recyclable Materials and Other
Materials and For the Collection, Transportation
and Disposal of Municipal Solid Waste**

Issued By:



**The City of Lake Forest
25550 Commercentre Drive, Suite 100
Lake Forest, California 92630**

July 22, 2013

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1 PROJECT OVERVIEW

1.1 INTRODUCTION

The City of Lake Forest (“the City”) is seeking proposals from qualified firms to provide municipal solid waste and recyclables collection, disposal, and transportation services. The City’s existing Franchise with Waste Management (WM) terminates April 30, 2013. The City is requesting proposals to provide collection, transportation and disposal of municipal solid waste and the collection, transportation, processing and diversion of recyclable materials, yardwaste, food scraps, and other materials for an eight (8) year period beginning May 1, 2014 and terminating April 30, 2022 with a series of two (2) one year options for extension based on the hauler’s attainment of performance measures.

The schedule for this procurement process is as follows:

Action	Date
RFP Issued	July 22, 2013
Mandatory Pre-Submittal Conference	August 7, 2013
Last Day for Written Questions on RFP/Draft Franchise to be Submitted to City	August 23, 2013
Written Responses to Final Questions Issued by City	September 6, 2013
Proposals Due	September 26, 2013
Review of Proposals for Responsiveness to RFP per Section 5.1.1 of RFP	September 30 through October 4, 2013
Presentations to City Council by Proposers with Responsive Proposals	October 8, 2013
City Council Awards Franchise	November 19, 2013
Collection Operations Begin Under New Franchise	May 1, 2014

1.1.1 Organization of this Request for Proposal

This document is organized into the following sections:

- Section 1 summarizes the general requirements for participating in the Request For Proposal (RFP) Process.
- Section 2 provides background information on the City and its wastestream.

- Section 3 summarizes the scope of services to be provided and certain technical requirements.
- Section 4 describes the business arrangements, including Franchisee's compensation.
- Section 5 describes the specific information required in the proposal, provides the forms to be used for submission, and summarizes the evaluation process.
- Section 6 contains the Franchise that the City will enter into with the selected firm. The Franchise includes Attachments A-BB, which appear at the end of the Franchise.
- Section 7 contains the Appendices to this Request For Proposals that provide additional background information on the Lake Forest solid waste and recycling system as described in Section 2.

1.2 GENERAL REQUIREMENTS

The Proposer shall submit electronic and printed versions of the Proposal and forms that are complete and contain a substantial level of detail to allow adequate evaluation on a technical and financial basis by the City.

1.2.1 Electronic Submittal

The Proposer shall submit an electronic version of the Proposal and forms. The proposal forms will be completed in the following programs: Microsoft Word, Excel and Adobe Acrobat. The electronic version shall be submitted in the form of a CD-Rom or USB thumb drive included in the proposal package submitted to the City.

1.2.2 Paper Submittal

The Proposer shall submit one (1) original (signed) and nine (9) signed copies of the proposal in its entirety, including all Proposal Forms, Appendices, Exhibits, and other requirements as specified herein. The Proposal shall be typed or printed (1-1/2- or double-spaced) on 8-1/2-by-11-inch paper containing recycled content. The original shall be unbound and photocopy ready. The copies shall be appropriately bound and may contain preprinted and photographic material at the option of the Proposer. Any oversized documents must be folded to size and secured in the proposal.

1.2.3 Signature and Authority

The Proposal must be signed on Proposal Form 1 by an officer of the corporation, principal, company partner, or other duly authorized person or persons with the legal

authority under California law to make the commitments required by this Request for Proposal, including the Franchise Agreement.

If a Limited Partnership submits the Proposal, the name and address of the partnership, a list of all partners, and the signature of one general partner must be provided. If made by a corporation, the Proposal must indicate the name and state or country under which the corporation is incorporated, and the name, address, and federal tax identification number of the corporation. If a corporation makes the Proposal, and it is not signed by two officers as provided by California law, a certified copy of the appropriate section of the bylaws, or a resolution of the Board of Directors of the corporation shall be furnished showing the authority of the officer who has signed the Proposal and Proposal forms to execute contracts on behalf of the corporation. If the Proposal is made by a joint venture, a copy of the joint venture agreement, and the name, address, and organizational status of each of the joint venture partners must be provided. Where a joint venture is composed of one or more partnerships, corporations, or other entities, the information specified in this paragraph must be provided for each entity.

1.2.4 Cost for Preparation of Proposals/Ownership of Proposals/Submittal Fee

Each Proposal submitted in response to this Request for Proposals shall be prepared at the sole cost and expense of the Proposer with the understanding that no claims for reimbursement of such costs against the City of Lake Forest will be accepted. All Proposals will become the property of the City and, except for portions marked confidential, will not be returned to the Proposer. **Proposals shall be accompanied by a non-refundable submittal fee of \$2,000.00 (payable to the City of Lake Forest).**

1.2.5 Proposals Are Subject to California Public Records Act

It is the City's understanding of current California case law that all proposals received in response to the RFP can remain confidential and not be disclosed under the California Public Records Act (Government Code Section 6250 et seq.) until a final Franchise Agreement is executed with the selected proposer.

After execution of the final Franchise Agreement, information submitted to the City by Proposers is subject to possible compulsory disclosure by the City upon request from any member of the public (including other Proposers) under the California Public Records Act, Government Code Section 6250 et seq. The City recognizes that some Proposers may consider some information which is called for in the Request for Proposals, or which may be required to be submitted in subsequent stages of the evaluation and selection process, to be a trade secret or otherwise proprietary.

Materials that a Proposer believes are a trade secret or proprietary must be clearly marked, on each page, as "CONFIDENTIAL" and submitted separately in an envelope clearly marked with the Proposer's name and stamped "CONFIDENTIAL."

Proposers may designate ONLY Proposal Form 21 as confidential. If any other forms are nevertheless so designated, the City may either ignore the designation or consider the Proposal as nonresponsive.

Except as required by State Law, the City will not voluntarily disclose materials so marked "Confidential" to persons other than City officers, employees, attorneys, and consultants involved in evaluating the Proposals received or otherwise assisting the City in this procurement.

If the City receives a request from a third party to review and/or copy material marked as "CONFIDENTIAL" it will inform the Proposer that submitted the material.

If the City determines that the material requested is not entitled to an exemption under the Public Records Act, and that it must be released, the City will advise the Proposer of that determination.

If the City determines that the material is entitled to an exemption under the Public Records Act, and the person who requested the material files a lawsuit seeking its release, the City will advise the Proposer and will not oppose a motion by the Proposer to intervene in the action.

No Proposer will seek damages against the City or recovery of its attorneys' fees from the City, as a result of any dispute related to the release of information submitted in response to this Request for Proposals, whether the Proposer is seeking release of another Proposer's information or is opposing a third party's request for release of its material.

Material that has been marked, as "CONFIDENTIAL" will be returned to all unsuccessful Proposers once the Franchise Agreement has been signed with the selected Proposer.

By submitting a Proposal, Proposers agree to all of the foregoing provisions.

1.2.6 Rights Reserved by the City

The City reserves the right, in its sole discretion, to pursue any or all of the following actions in regard to this Request for Proposal:

- Issue addenda to the Request for Proposal.
- Request additional information and/or clarification from the Proposers.
- Permit the timely correction of errors, or waive irregularities.

- Reject any or all Proposals.
- Issue subsequent Requests for Proposals based on refinements of concepts proposed in response to the Request for Proposals.
- Withdraw this Request for Proposals.
- Extend the time for submittal of Proposals.
- Negotiate prices and terms with one or more Proposers.
- Take whatever other action it deems in its interest.

This request for Proposals does not obligate the City to accept any Proposal, negotiate with any Proposer, award a Franchise Agreement, or proceed with the development of any programs or projects described in response to this Request for Proposal.

1.3 KEY DATES

The following sections provide a description of the mandatory pre-submittal conference and the key dates of the RFP process.

1.3.1 Mandatory Pre-Submittal Conference

A mandatory Pre-Submittal Conference will be held on **August 7, 2013**, at 1 p.m., in the Community Room, Foothill Ranch Library, 27002 Cabriole Way, Foothill Ranch, California. The Conference will include a general presentation of the Request for Proposals document, and a Question and Answer session on the RFP and the Franchise Agreement. Proposers may submit questions in writing to the City's RFP Coordinator in advance of the Pre-Submittal Conference. The City will respond to as many questions as possible at the Conference. If there are questions that cannot be answered at the Conference, the City will provide responses in an Addendum to the RFP.

All questions raised during the Pre-Submittal Conference, as well as those that require follow-up, will be answered by the City via written Addendum no later than 5:00 P.M. on **August 23, 2013**. **Attendance at the August 7, 2013 pre-submittal conference is mandatory for all Proposers. Failure to attend will result in the disqualification of the Proposer.**

During the Proposal process, Proposers shall direct all questions in writing (or by email) to the City's RFP Coordinator. This will help assure that consistent and accurate information is disseminated. The RFP Coordinator is:

Irene Kha
Management Analyst
Public Works Department
City of Lake Forest
25550 Commercentre Drive, Suite 100
Lake Forest, California 92630

Telephone: (949) 461-3498
Fax: (949) 461-3511
Email: ikha@lakeforestca.gov

1.3.2 Submission Deadline and Address

Sealed proposals shall be received by the City, in the office of the City Clerk, no later than 3:00 p.m., Local Time, on **September 26, 2013** addressed as follows:

ATTN: City Clerk
City of Lake Forest
25550 Commercentre Drive
Lake Forest, California 92630

Proposals received after the deadline may be returned unopened and will not be considered. Postmarks will not be accepted as proof of receipt.

1.4 PROPOSAL PROCESS INTEGRITY RULES

1.4.1 Rules To Be Followed By All Proposers

In order to ensure a fair RFP process the City Council has established a Process Protocol to govern interactions between the Proposers, the City, and the City's representatives during the process. All Proposers shall strictly adhere to the following rules:

1. All proposals submitted will be final. No changes or alterations will be accepted after proposal submission.
2. From the date that the City Council authorizes the issuance of the Request for Proposal (RFP), May 21, 2013, until the City Council awards a Franchise Agreement, all contacts between Proposers and the City shall be through the City's RFP Coordinator, Irene Kha. Contact information for the RFP Coordinator is contained above. Any attempt to contact, or any contact made by any other person, including an elected or appointed official of the City, is grounds for disqualification of the proposer from the process.
3. All substantive questions shall be submitted in writing to the RFP Coordinator.
4. Proposal evaluation committee members will direct all inquiries, e-mails and any other correspondence about the RFP process, to the City-designated staff person.

5. Any Communications from the City to a Proposer will be transmitted simultaneously to all Proposers along with answers to written questions submitted.
6. Any proposer contesting any part of the RFP process or fairness of the RFP process will submit their claim in writing to the City Manager or his designee for review by the City's RFP Evaluation Committee.
7. Any Proposer who fails to recognize or utilize this process of communications will be notified of its violation and may be disqualified from the selection process at the sole discretion of the City Manager.

All Proposers will be asked to sign a formal acknowledgement indicating receipt of, and understanding of these rules, at the pre-submittal conference.

2 PROJECT BACKGROUND

2.1 DISCLAIMER FOR INFORMATION PROVIDED BY CITY

The information in this section and in Appendices 1 through 3 is provided as background to the Proposers responding to the Request for Proposals issued by the City of Lake Forest. The City neither warrants nor accepts responsibility for the accuracy of the information contained herein. It is the responsibility of the Proposer to undertake, at its sole cost, any verification of this information necessary for it to submit a response to this Request for Proposal.

2.2 EXISTING SOLID WASTE AND RECYCLING SYSTEM

Waste Management (WM) currently provides collection services for commercial and residential customers pursuant to two separate eight-year agreements each with a maximum of two (2) one-year extensions. Both these Franchise Agreements began on September 1, 2003. A list of all residential customers and commercial customers as of September 2012 (including commercial account names, and all residential and commercial addresses and service levels) has been submitted by WM to the City and will be made available to the successful Proposer upon execution of the Franchise Agreement (or with issuance of RFP). The tables below in Sections 2.2.1 – 2.2.7 provide inventory data and service logistics as of September 2012.

In addition, there are six appendices to the RFP that provide more background information. Appendix 1 includes detailed monthly tonnage reports submitted by WM on its MSW collection and the diversion programs that were in place during 2012 and Appendix 2 is WM's 2012 and 2011 Annual Reports to the City. Appendix 3 is the CalRecycle Annual Report for 2011 that further describes all of the existing diversion programs. Appendix 4: Is the CalRecycle 2011 Disposal Reporting System (DRS) Tonnage Summary.

2.2.1 Solid Waste Collection

According to WM records as of September 2012, municipal solid waste (MSW) is collected from approximately 16,052 residential customers weekly in three streams: Green waste in wheeled carts, single stream recyclables in wheeled carts, and MSW in wheeled carts. Table 1 displays the MSW container inventories for the residential sector.

Table 1: Residential Curbside MSW Container Count as of September 2012

Container Size	MSW Containers		
	Primary Containers	Extra Containers	Total MSW Containers on Service
35 Gallon	309	1	310
64 Gallon	1,964	9	1,973
96 Gallon	14,862	962	15,824
Total	17,135	972	18,107

In addition, the Franchisee provides collection services to multi-family residential units, commercial accounts, and City facilities, using various types of containers and collection frequencies as detailed in the tables below. WM reported servicing 2,927 permanent roll-off boxes and 1,648 temporary roll-off boxes in 2011. The Franchisee also collects construction and demolition debris from construction, roofing, demolition and other such projects, but does not have an exclusive Franchise Agreement with the City to collect these materials. Lake Forest operates a non-exclusive construction waste collection system.

According to the official tonnage figures, as reported by the County of Orange's Disposal Reporting System, a total of 64,601.89 Lake Forest tons were disposed in 2011 from all collection sources. Of this total, based on Waste Management's annual report of March 31, 2012, a total of 53,989 tons were disposed consisting of 17,254 tons from the single-family curbside sector, 30,607 tons from the commercial and multi-family sector, and 6,128 tons from roll off service. These figures agree to within 2% of the total reported by the County of Orange's Disposal Reporting System. Appendix 4 shows the Orange County DRS 2011 figures by quarter, landfill, and also provides the identification of the hauling company delivering the tons.

In 2012, approximately 16,374 cubic yards of MSW were collected each week by Waste Management's commercial MSW routes. Table 2 displays the number of collection containers by container size and the frequency of collection for existing MSW accounts as of September 2012.

Table 2: Size and collection frequency of MSW containers as of 2012

Container Size	Collection Frequency							Total
	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week	7x/week	
1 cubic yard	1							1
2 cubic yards	16	2	1		1			20
3 cubic yards	263	400	394	78	92	111	4	1342
4 cubic yards	32	65	79	47	64	59		346
6 cubic yards		5						5
96-gallons	160							160
Total	472	472	474	125	157	170	4	1874

2.2.2 Single-Family Residential Diversion Programs

Waste Management reports that as of September 2012 there are approximately 16,052 single-family billing accounts with active waste collection service within the City of Lake Forest. The single-family residential single-stream recyclable materials are delivered primarily to the Sunset Environmental MRF operated by Waste Management where they are processed on a line designed for clean single stream materials. In 2011, WM reported collecting 7,533 tons of green waste, 5,205 tons of single-stream recyclables (breakout by commodity contained in Appendix 2), and 17,254 tons of MSW from curbside accounts. Using the reported tonnage, containers on service and the number of accounts collected, the approximate weight per gallon for the three residential curbside waste streams is as follows:

- MSW: 0.40 lbs. per gallon (81 lbs./yd.³)
- Single-stream recycling: 0.15 lbs. per gallon (30 lbs./yd.³)
- Green waste: 0.22 lbs. per gallon (45 lbs./yd.³)

NOTE: The above figures are provided for reference and each proposer is expected to verify the above values, taking into account the diversion program(s) anticipated and their own experiences.

The green waste is delivered to the Tierra Verde Industries (TVI) Composting Facility for processing as Alternative Daily Cover (ADC). In 2011, Waste Management reported 882 tons from the residential sector were sent to the Southeast Resource Recovery Facility (SERRF) located in Long Beach. In 2011, WM reports diverting 44.12% of the residential materials it collected. Table 3 below reflects the approximate number of carts that service the single-family residential community.

Table 3: Residential Curbside Recycling and Green waste Container Count as of September 2012

Container Size	Recycling Containers			Green Waste Containers		
	Primary Containers	Extra Containers	Total Recycling Containers on Service	Primary Containers	Extra Containers	Total Green Waste Containers on Service
35 Gallon	338	7	345	310	7	317
64 Gallon	9,513	20	9,533	962	11	973
96 Gallon	7,224	148	7,372	12,571	308	12,879
Total	17,075	175	17,250	13,843	326	14,169

2.2.3 Multifamily Diversion Programs

Approximately 7,010 housing units in 81 major complexes generate the multifamily waste stream in Lake Forest. A single stream recyclables collection program using front loader vehicles and a combination of 96-gallon carts, 3-yard, and 4-yard bins partially services the multi-family sector. WM does not segregate multi-family diversion tonnage from commercial diversion tonnage; therefore no specific diversion tonnages or volumes for the multi-family sector are available. Table 4 below reflects the approximate number of containers on service in the multi-family sector.

Table 4: Multi-family MSW and Recycling Containers on Service in 2012

Container Size	MSW Container Count	Recycling Container Count
96-gallon	0	23
3-yard	495	177
4-yard	88	2
Total	583	202

2.2.4 Commercial Diversion Programs

The Franchisee also provides collection of single stream recyclable materials from commercial and business establishments that are processed on a single stream materials line at the Sunset Environmental facility. Based on WM annual report, in 2011, a total of 1,439 tons were diverted from the combined commercial and multifamily recycling routes.

In September of 2012, the City received from WM a detailed listing of all commercial MSW and recycling accounts. Based on the information provided, 260 accounts in the

commercial sector have single-stream recycling (this account total includes recyclable materials diverted from a portion of the 81 multi-family sites serviced on commercial recycling routes). Approximately 29% of the 884 commercial accounts in the City subscribe to single-stream recycling. Similarly in 2012, 2,518 cubic yards per week of recyclables were collected by WM on its single-stream recycling route.

Finally, WM reported that in 2011, 64 tons were delivered to the SERRF transformation facility from the commercial sector.

The bin sizes used to service the commercial sector are predominately 3 and 4 cubic yard with some 1- to 2-yard bins and 64- to 96-gallon carts for areas with space restrictions. Table 5 summarizes the commercial container inventory. Table 6 includes the number and size of bins and their service levels for recycling. Waste Management is currently piloting an organics diversion program in the City and has 2 generators participating: a grocery store and a restaurant. In 2011, the organics diversion program diverted 98 tons. The organic materials collected from the 2 participating generators are taken to Waste Management's intermediary processing facility in the City of Orange.

Table 5: Commercial Container Count as of 2012 (includes multi-family)

Waste Stream	Container Size	Container Count
Manure	2yrd	1
	Total Manure Container Count	1
Food Waste	35gal	15
	2yrd	1
	Total Food Waste Container Count	16
Single Stream Recycling	64gal (cart)	2
	96gal (cart)	38
	2yrd	2
	3yrd	394
	4yrd	30
	Total Recycling Container Count	466

Table 6: Size and collection frequency of recycling containers (includes multi-family)

	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week	Total
64 gallon	2	-	-	-	-	-	2
96 gallon	38	-	-	-	-	-	38
2 yard	2	-	-	-	-	-	2
3yard	201	86	92	4	11	-	394
4 yard	6	8	13	1	2	-	30
Total	250	94	105	5	13	-	466

2.2.5 Construction/Demolition Diversion Programs

The City has a non-exclusive roll-off system and construction Franchisees have the option of choosing the lowest cost provider for roll-off collection services. The City uses the California building code (CalGreen Section 4.408 & 5.408) to regulate diversion at construction projects within the City. Waste Management delivered 415 C&D roll-off boxes in 2011. In 2011, WM collected 7,401 tons of roll-off materials and diverted 1,272 tons (a 17% diversion rate). All C&D materials collected by Waste Management were processed at Sunset Environmental.

2.2.6 Other Diversion Programs

Waste Management operated the special collection programs summarized in Table 7 below.

Table 7: Summary of Special Diversion Programs Provided by WM in 2011

<u>Material Collected</u>	<u>2011 Weights Collected</u>	<u>Program Description</u>
HHW	16,566 lbs.	WM holds an annual event. In 2011, WM held a 3-hour event at El Toro High School, which attracted 281 cars.
Fluorescent tubes	400 lbs.	Fluorescent tubes were collected as part of the 2011 HHW drop-off event.
E-waste	5,658 lbs.	E-waste was collected as part of the 2011 HHW drop-off event.
U-waste	510 lbs.	U-waste was collected as part of the 2011 HHW drop-off event.
Sharps	273 lbs.	Sharps were collected through drop-off programs at City Hall or through mail in programs.
Bulky goods	712,000 lbs.	WM received 3,700 bulky items requests from residents in 2011. Bulky items were processed at Sunset Environmental.
White goods	126,000 lbs.	WM collected white goods at residential and multi-family properties along with bulky items
Non-controlled medicines	108 lbs.	Non-controlled medicines were collected at a drop-off center located at City Hall.
Holiday greenery	100,000 lbs.	WM collected holiday greenery from residential premises.

Source: Waste Management 2011 Annual Report

In addition to the diversion programs noted above, WM also provided special event service for 8 City events as described in Table 8 below:

Table 8: Summary of Special Event Service Provided by WM in 2011

Service / Event	Snow Fest	Bunny Blast	Creek Clean up	3 Concerts in the Park	4 th of July Parade	Coastal Cleanup	Relay For Life	Halloween
MSW Bins		2 – 3yd	3 – 3yd	2 – 3yd	2 – 3yd	1 -3yd		2 – 3yd
Roll off	1 – 40yd				1 – 40yd		1 – 40yd	
Recycling	2 – 3yd	2 – 3yd		1 – 3yd		1 – 3yd		2 – 3yd

Source: Waste Management 2011 Annual Report

2.2.7 Collection Fleet and Routing

WM operates 8 front-end loaders to service the commercial sector with 2 back-up vehicles. For commercial routes, WM operates 7 weekly MSW routes and 4 weekly commercial recycling routes. WM has 10 residential collection vehicles in service with one back-up vehicle. WM runs 7 residential MSW routes, 7 residential recycling routes, 2 green waste routes, and 1 bulky item collection route. Waste Management has 3 roll-off collection vehicles in service and one back-up vehicle. Tables 9 through 11 below summarize the current collection fleet used by Waste Management to service the City's residential, commercial, and roll-off sectors.

Table 9: Commercial Front End Loaders

Truck Number	Body	Fuel Type	MSW Route	REC Route	Service Day	Route
261924	FEL	Diesel	330	321	M-S	Route
207932	FEL	CNG		322	M-F	Route
263028	FEL	Diesel	331		M-S	Route
263022	FEL	Diesel	332		M-S	Route
205453	FEL	Diesel	333		M-S	Route
263020	FEL	Diesel	334		M-S	Route
207932	FEL	Diesel	335		M-F	Route
205456	FEL	Diesel	336	340	U-S	Route
206646	FEL	CNG		273	M-S	Spare
205452	FEL	Diesel				Spare

Table 10: Residential Collection Vehicles

Truck #	Body	Fuel Type	MSW	REC	GRN	BULKY	Service Day	Route
101002	ASL	Diesel	450	950			M-F	Route
101006	ASL	Diesel	451	951			M-F	Route
102782	ASL	CNG	452	952			M-F	Route
101005	ASL	Diesel	453	953			M-F	Route
101197	ASL	Diesel	454	954			M-F	Route
101503	ASL	CNG	455	955			M-F	Route
101201	ASL	Diesel	456	956			M-F	Route
101720	ASL	Diesel			457		M-F	Route
101202	ASL	Diesel			458		M-F	Route
208267	FEL	Diesel				8263	M-F	Route
101237	ASL	CNG						Spare

Table 11: Roll-off Collection Vehicles

Truck #	Body	Fuel Type	Service Day	Route
412468	R/O	CNG	M-S	Route
412637	R/O	CNG	M-S	Route
412641	R/O	CNG	M-S	Route
412466	R/O	CNG	M-S	Spare

3 TECHNICAL REQUIREMENTS

3.1 TECHNICAL REQUIREMENTS

The City of Lake Forest will award a Franchise Agreement for Collection, Transportation and Disposal of Municipal Solid Waste and Collection, Transportation, Processing and Diversion of Recyclable Materials, Yardwaste and other Material for a period of eight (8) years. The City will have the sole option to extend the Franchise Agreement in one-year increments if specific performance measures are met, for up to two (2) additional years. The technical requirements are described below. The forms for providing the information required are presented in Section 5.5.

3.1.1 Franchise Agreement

Proposers must be willing and able to enter into a Franchise Agreement to provide collection processing, disposal and diversion services for an eight (8) year period at a specified cost and under specified terms. Terms required by the City are contained in the Franchise Agreement in Section 6. It is recommended that proposers review the Franchise Agreement terms with their legal counsel. **If proposers take exception to any of the terms of the Franchise Agreement in Section 6, the proposer must list each exception on Proposal Form 20.** Any exceptions to the Franchise Agreement will be considered as part of the evaluation process. If selected, a proposer must be prepared to sign the Franchise Agreement in Section 6 with the exceptions listed on their Proposal Form 20. Failure to do so will result in disqualification and the City may select the next ranked proposer.

3.1.2 Diversion Collection Services

The selected Proposer will provide the following diversion collection services in the City: residential curbside single stream program, residential curbside yardwaste program, multi-family single-stream recycling program, commercial and business establishment recycling programs, commercial yard waste program, a commercial food scrap diversion program, Christmas Tree collection and drop off program, an electronic waste and universal waste diversion program, a City facilities diversion program, special events/large venue diversion program, construction and demolition waste diversion program, and related public education programs.

The principal diversion collection services to be provided for businesses and all multi-family properties include:

- Single material recyclables collection AND,
- Single stream recyclables collection, AND

- Food scrap diversion collection, AND
- Source-separated Comparable MRF Route for materials that meets all the standards and requirements of Public Resources Code Section 42649 (b) (2) and all subsequent amendments, rules and regulations thereto. PRC 42649.2 (b) (2) currently states “....a recycling service that may include mixed waste processing that yields diversion results comparable to source separation.”

These same four (4) services shall also be provided to all temporary bin, temporary roll off and permanent roll off customers and all compactor customers.

The cost of reducing the amount of MSW that goes into the landfill (as required by AB 939) can be spread across the entire rate base. As the amount of material being collected and handled is increasingly shifting into diversion, providing free recycling is not feasible. Therefore, the rate proposed by all Proposers for collection of commercial, multi-family, temporary bin, temporary roll off, permanent roll off and compactor customers for recyclable materials must be 50% lower than the rate proposed for collection of MSW materials.

Per the requirements set forth in AB 341, the City desires and anticipates that all commercial, multi-family and roll off and compactor customers will receive a recycling service (either single-material or single stream or SSC-MRF) and a solid waste collection service for the remaining MSW.

The Scope of Services for each of these services is more fully described in Attachment B of the Franchise Agreement and Section 6. Proposers are encouraged to carefully review all of the programs required in the Scope of Services.

3.1.3 MSW Collection Services

The selected Proposer (“Franchisee”) will provide solid waste collection services for residential, commercial, and business establishments within the City as more fully described in the Scope of Services contained in Attachment B of the Franchise Agreement. Residential MSW collection will be once weekly, automated collection. The base residential service includes collection of one black (trash) cart, one blue (single stream cart, and one green (yardwaste) cart each 35-96 gallons in capacity (or smaller) once per week from curbside. Residential customers can also add 2 additional blue carts and 2 additional green carts free of charge.

Commercial cart and bin service, roll-off, and compactor services will be provided by the selected vendor. Roll-off and compactor service may be on a regular schedule or may be completely "on-call" at the discretion of the customer. The Scope of Services for each of these programs is more fully described in Attachment B of the Franchise Agreement.

3.1.4 MRF, Compost and Construction and Demolition Processing Facilities

The Franchisee must provide a Materials Recovery Facility (MRF), Compost Facility, and Construction and Demolition Debris Processing Facility for use by the City. These can be facilities owned by the Franchisee or facilities where the Franchisee has a written agreement that ensures adequate processing capacity and a delivery schedule that will meet the needs of the City of Lake Forest. The MRF must include processing lines for cleanup of single material recyclables, sorting of single stream recyclables, as well as, if directed by City, sorting of mixed waste materials comparable to source separation (SSC-MRF).

The Composting Facility must be capable of processing residential and commercial yard waste, commercial and residential food waste, and any organic portion of the wastestream that is identified as being diverted in the proposer's programs. The Construction and Demolition Debris Processing Facility must be capable of processing all of the construction and demolition debris that is collected by the Franchisee in the City. If a Waste-to-Energy diversion program is proposed, the Proposer must provide a written commitment by the WTE facility that provides detailed information on both the tonnage capacity guaranteed for the City of Lake Forest and the allowed schedule of delivery.

Proposal Forms 4, 5, 6, 7, 8, 9 are to be used to provide detailed information on each of the processing facilities to be used. Please note that for these proposal forms to be considered complete they must include either a statement that the facility (MRF, Compost Facility, C&D Processing Facility, etc.) is owned by the proposer, or must include a signed agreement between the proposer and the facility owner stating the capacity reserved for the City of Lake Forest, including tons, delivery times, and details of processing equipment that will be used, expected residue percentages based upon actual facility experience, and markets where the materials will be sold. All proposed processing facilities must be fully permitted by the date of submittal of proposals in order for proposal forms 4, 5, 6, 7, 8, 9 to be considered as responsive and complete.

3.1.5 Diversion Requirement

The Franchisee is required to meet specific bin implementation and restaurant participation targets in order to achieve the two 1-year extensions. The targets are as follows:

- a. Phase 1 – 300 recycling bins (200 commercial and 100 multi-family) and 70 restaurants by December 31, 2016
 - i. If Franchisee achieves target, it earns one year extension to April 30, 2023

- ii. If Franchisee fails, it does not earn 1-year extension and Franchise Agreement terminates on April 30, 2022
- b. Phase 2 – An additional 300 recycling bins (200 commercial and 100 multi-family) and 70 restaurants between May 1, 2017 and April 30, 2020
 - i. If Franchisee achieves target, it earns additional one year extension to April 30, 2023 or April 30, 2024
 - ii. If Franchisee fails, it does not earn 1-year extension and Franchise Agreement terminates on April 30, 2022

The performance requirement is included in Article 6 of the Franchise Agreement.

3.1.6 New Containers to be Provided

The selected Proposer will purchase new Containers, as described in the Franchise Agreement, and shall distribute the Containers to residential, commercial and multi-family customers prior to May 1, 2014. Proposers shall utilize the proper proposal forms to list the number, sizes, style, color and type of Containers that will be purchased for distribution prior to May 1, 2014.

3.1.7 Alternative Fuel Vehicles

The Franchisee must provide new collection vehicles as specified in Section 7.03 B of the Franchise Agreement. The vehicles must be alternative fuel vehicles as defined in the Franchise Agreement. The selected Franchisee will be required to comply with South Coast Air Quality Management District Rule 1193, and all other applicable state and federal laws with regard to air quality and vehicle emissions, throughout the term of the Franchise Agreement.

3.1.8 Customer Service and Billing

The Franchisee will provide all equipment and personnel for customer service, both during the implementation phase (award of Franchise Agreement through April 30, 2014) and once operations begin on May 1, 2014.

The selected Franchisee shall prepare all bills, collect all payments, and utilize standard procedures to collect bad debts for all customers, including residential, commercial and roll off. Billing will be rendered one month in arrears for all lines of business. These billing requirements are more fully described in Attachment B of the Franchise Agreement.

3.1.9 Two (2) Full Time Recycling Coordinators for City

The Franchisee will provide two (2) experienced Recycling Coordinators on a full-time (2.0 FTE) basis to work solely on programs for the City of Lake Forest. The types of tasks to be performed by the Recycling Coordinator are listed in Section 7.05 G of the Franchise Agreement and Attachment B. For each day the City does not receive the full-time services of the Coordinator, the liquidated damages listed in the Franchise Agreement will apply.

3.1.10 Complete Description of All Proposed Diversion Programs

The selected Franchisee will provide all of the collection and diversion programs listed in the Franchise Agreement and Attachment B. On proposal Form 22 proposers will provide a detailed description of each of the programs in Attachment B (listed by PARIS code), including the number and types of collection vehicles and containers to be used, collection methodology, plan for roll out of each program, public education efforts for each program, and expected diversion in tons. Proposed diversion programs should utilize proven methodologies and collection and processing methods that have a documented track record of success in other jurisdictions similar in size and waste stream characteristics as the City of Lake Forest. Programs that utilize unproven methodologies or technologies will not be considered. Proposers shall not submit additional diversion programs not listed in Attachment B, nor shall they submit alternates.

On Proposal Form 13 proposers will list each of the programs (again, by PARIS code) and will provide the projected percentage of the total tons to be collected by the Franchisee, that each of the diversion programs in Attachment B will divert. Proposal Form 13 will also show the total percentage diversion projected by the proposer for all diversion programs.

3.1.1 Use of Innovation in Implementation of Diversion Services

The Franchisee will consider AB 341's impacts on its services. Approaching diversion rates that will result in a statewide 75% recovery of the waste stream, requires new approaches to equipment, containers, routing, and processing. For instance, instead of a \$320,000+ frontloader with its heavy construction, and hydraulics suitable for the collection of bins weighing 250 to 500 pounds of MSW, what type of a lower cost and lighter vehicle could be utilized to collect recyclable materials with bin weights of 60 to 90 pounds? For each of the programs listed in Attachment B the selected Franchisee will be evaluated on the level of innovation and technical know how applied to the diversion programs.

4 BUSINESS ARRANGEMENTS

4.1 COMPENSATION TO FRANCHISEE

The Franchisee will charge customers the City-established rates for services rendered pursuant to the Franchise Agreement. The rates will be those proposed by the selected Proposer in Proposal Form 25 for services that will begin May 1, 2014. Proposal Form 25 will become an attachment to the final Franchise Agreement. The rates on Proposal Form 25 must be made in May 2014 dollars.

Proposal Form 25 contains the following rate categories: (1) Residential, (2) Commercial & Multi-Family, (3) Temporary Bins, Temporary Roll Off & Permanent Roll Off, (4) Compactors, (5) Special Event/Large Venue, (6) Emergency Services and (7) Other Services.

Within the categories of: Commercial & Multi-Family; Permanent Compactor and Roll-Off; Temporary Bins; Temporary Roll Offs; Permanent Roll Off; and Compactor and Special Events; Other Services the Proposer must fill in rates for each of the following 6 types of collection service:

- Collection of single material recyclables
- Collection of single stream recyclable materials
- Collection of materials hauled directly to the landfill
- Collection of materials on the source separated comparable MRF route (SSC MRF)
- Collection of food scraps for processing at a composting facility or anaerobic digestion facility
- Collection of materials for transformation

The difference between these 6 types of collection is described above in Section 3.1.2 and is also described in the attached Franchise Agreement, in both Attachment B (Scope of Work) and in Attachment A (Definitions) of the Franchise Agreement.

The Franchisee shall bill and collect revenues from customers. **The revenue collected by the Franchisee for these services** shall be the sole source of payment for services rendered pursuant to the Franchise Agreement.

4.2 LIQUIDATED DAMAGES

The Franchisee must perform all of the services enumerated in the Franchise Agreement. For non-performance of specified services, the liquidated damages listed in Section 13.09 of the Franchise Agreement will apply.

4.3 ADJUSTMENTS TO COSTS

Article 12 of the Franchise Agreement describes the methods for adjustment of the collection and processing portion of the rates on an annual basis throughout the term, beginning in July 2015. **Proposers should note that the proposed costs for collection and processing shall be fixed for the initial fourteen (14) months of the Franchise Agreement term.** The disposal charge (tip fee) will be only be adjusted during the term of the Franchise Agreement, if and when the actual tip fee changes, as more fully described in Article 12 of the Franchise Agreement.

4.3.1 Rates and Costs To Be Proposed In May 2014 Dollars

As noted above, Proposers must submit all proposed rates and costs in May 2014 dollars.

4.4 BONDS, INSURANCE AND GUARANTY

The selected Proposer is required to provide a performance bond and insurance coverage as described in Article 11 of the Franchise Agreement. The selected Proposer must also execute a Guaranty from either its parent company or its owner(s). The form and format of the performance bond appears in Attachments L and M of the Franchise Agreement and the Guaranty appears in Attachment Z of the Franchise Agreement.

5 PROPOSAL REQUIREMENTS AND EVALUATION

This section describes (1) Proposer qualifications, (2) instructions on organization of information to be included in the Proposal Package, and (3) proposal evaluation criteria.

5.1 EVALUATION PROCESS

Proposals will be evaluated using the process described in this section. The selected Proposer will be chosen based on the outcome of this evaluation. The evaluation process includes the following activities, which are discussed below:

1. Review of Proposals for completeness and responsiveness to RFP
2. Evaluation
3. Award of Franchise Agreement by City Council

5.1.1 Review of Proposals For Responsiveness To RFP

In order to be considered responsive to the RFP, Proposers must have:

- Attended the mandatory Pre-Submittal meeting;
- Acknowledged receipt of the City Council Process Integrity Rules in writing at the Pre-Submittal meeting;
- Delivered the Proposal by the submission deadline; and
- Complied with the requirements of the RFP, including the submittal of all forms completed in full.

If the requirements are met, Proposals will be considered responsive and will continue through the evaluation process. If the requirements have not been met, a Proposer shall be disqualified.

5.1.2 Evaluation

The Franchise Agreement will be awarded to the proposal that offers the greatest value to the City. Responsive Proposals will be evaluated on the basis of the criteria listed in Section 5.2 below. The criteria are not listed in any particular order of precedence or importance.

5.2 PROPOSAL EVALUATION CRITERIA

Members of City administrative staff and technical consultants will evaluate all proposals. The Franchise Agreement will be awarded to the proposal that offers the

greatest value to the City. The proposals will be evaluated based on criteria that may include, but are not limited to, the following:

Table 5-1. Proposal Evaluation Criteria

Criteria	Description
Organization	<ul style="list-style-type: none"> • Role of team members on the project • Contractual arrangement among team members • Explanation of how the local management and corporate structure are linked (if applicable) • Key personnel assigned to the project • Experience of assigned personnel in collection and materials diversion operations • Client references demonstrating Proposer's ability to maintain long-term relationships with municipalities, including cooperation in providing requested information in a timely manner and avoidance of litigation and arbitration in settling disputes • Pending litigation
Franchise Agreement Exceptions	<ul style="list-style-type: none"> • Number, nature and materiality of the exceptions taken to the terms of the Franchise Agreement.
Technical Capability	<ul style="list-style-type: none"> • Demonstrated experience in: <ul style="list-style-type: none"> ➢ Implementation and administration of collection services for MSW, recyclables, yardwaste, and food scraps from residential, commercial, and institutional generators. ➢ Operation of special recycling programs such as e-waste, tires, used oil and oil filters, etc. ➢ Minimum 3 years of experience providing reliable residential, commercial and roll off collection services to a jurisdiction equal to or larger in size than the City of Lake Forest. ➢ Operation or successful use of a fully permitted Materials Recovery Facility. ➢ Operation or successful use of a fully permitted composting facility for yardwaste, food scraps and any other organics identified as diverted in the proposal. ➢ Operation or successful use of a fully permitted C&D processing facility. ➢ Maintaining accurate records and providing complete, accurate, useful data to cities/counties on a consistent, timely basis. • Demonstrated ability to provide high quality customer services over the duration of a 7-10 year Franchise Agreement (or longer). • Demonstrated ability to conduct public education services including an explanation of experience and copies of materials produced for past programs. • Demonstrated ability to hire qualified technical assistance Recycling Coordinators with proven track records of program implementation.
Proposed Approach	<ul style="list-style-type: none"> • Thoroughness of proposed approach

	<ul style="list-style-type: none"> • Adequacy and reliability of collection equipment • Proposed MRF: <ul style="list-style-type: none"> ➤ Processing capacity reserved for City of Lake Forest ➤ Processing capabilities ➤ Residue percentage ➤ Type and configuration of processing equipment ➤ Fully permitted as of proposal submittal date • Proposed composting facility: <ul style="list-style-type: none"> ➤ Capacity reserved for City of Lake Forest ➤ Processing method(s) ➤ Residue percentage ➤ End use(s) for diverted material(s) ➤ Fully permitted as of proposal submittal date • Proposed C&D processing facility: <ul style="list-style-type: none"> ➤ Capacity reserved for City of Lake Forest ➤ Processing equipment and configuration ➤ Residue percentage ➤ End uses for diverted material(s) ➤ Fully permitted as of proposal submittal date • Proposed Waste-to-Energy facility (if applicable): <ul style="list-style-type: none"> ➤ Capacity reserved for City of Lake Forest ➤ Delivery schedule confirmed by facility for Lake Forest ➤ Fully permitted as of proposal submittal date • Public education strategy • Implementation plan: <ul style="list-style-type: none"> ➤ Ability to meet implementation schedule ➤ Documented ability to provide necessary equipment ➤ Staffing plan • Types of training and educational programs for managers and operational staff • Environmental responsibility including: <ul style="list-style-type: none"> ➤ Level and type of vehicle fleet emissions ➤ Use of recycled products (including paper, motor oil, and recapped tires) on or off-site ➤ Use of the least toxic alternatives in vector and pest management ➤ Training drivers in fuel efficient driving practices ➤ Source reduction efforts • Willingness, ability and past performance in thorough monthly and annual reporting of collected, diverted, and disposed tons, including providing detailed reporting from all processing facilities, landfills, and transfer stations. • Proposed programs use proven collection and processing methodologies. Proposed technologies have documented record of success in jurisdictions similar to Lake Forest in size and characteristics of wastestream.
Financial Capability	<ul style="list-style-type: none"> • Financing capacity and strength • Evidence that financing requirements will be fulfilled • Financial strength and stability of the Proposer to guarantee

PROPOSAL REQUIREMENTS AND EVALUATION

	<ul style="list-style-type: none">performance of the Franchise Agreement• Demonstrated ability to accurately estimate collection and diversion program costs and results• Demonstrated capacity to handle risk factors in the Franchise Agreement, such as fluctuations in market value of recyclables• Demonstrated record and capability of consistent and accurate financial reporting• Demonstrated ability to perform the scope of services in municipal contracts for the costs/rates agreed to in the Franchise Agreement• Demonstration of corporate ethics
Diversion Strategy	<ul style="list-style-type: none">• Does proposal maximize diversion rates and participation levels• Does proposal minimize contamination of recyclables, yardwaste, foodwaste, C&D waste• Demonstrated ability to meet AB939 and AB341 diversion requirements in another jurisdiction the size of the City of Lake Forest or larger• Number of FTE devoted to implementation and maintenance of diversion programs• Experience of assigned FTEs with diversion program implementation in other cities or counties• Total proposed diversion in tons as percent of collected tons.• Reasonableness and technical feasibility of proposed diverted tons and percentages.
Cost Evaluation	<ul style="list-style-type: none">• Proposed costs:<ul style="list-style-type: none">➢ Basic services➢ Additional services➢ Use of innovation to reduce costs• Supporting documentation<ul style="list-style-type: none">➢ Completeness➢ Reasonableness
Procedural Compliance	<ul style="list-style-type: none">• Proposer's compliance with:<ul style="list-style-type: none">➢ Requested proposal format and requirements➢ No additional or alternate programs proposed➢ City Council proposal protocol➢ Requests for additional information or explanation of proposal

Representatives of the City may contact references listed, or other public/private entities known to have contracted with Proposer, as part of the evaluation process.

The total annual cost for each Proposer's services will be calculated by taking the proposed rates for each service and multiplying them by the approximate number of customers currently subscribing to each type and level of service. The resulting monthly dollar amount will be annualized and used to compare the total annual cost with the total annual cost of other proposers.

5.3 PROPOSAL FORMS

Proposal Forms are included in Section 5.5 and request data in both narrative and tabular form. Proposers shall utilize the electronic versions of the forms, which are provided on the CD Rom included in this RFP packet. Completed forms must be returned with proposals in both hard copy and electronic copy as described under Section 1.2.1 and 1.2.2.

When submitting forms, use May 1, 2014 dollar values for all proposed rates and costs. Attach additional pages to forms as necessary.

5.4 CITY COUNCIL AWARD OF FRANCHISE AGREEMENT

As noted in the schedule contained in Sections 1 and 3, the City Council is scheduled to award a Franchise Agreement to the selected Proposer on **November 19, 2013.**

5.5 PROPOSAL FORMS

1. Proposal Transmittal Letter
2. Proposer Information
3. Implementation Plan
4. Materials Recovery Processing Facilities – Clean MRF (Including Letter Demonstrating Capacity and Ability to Receive Material)
5. Materials Recovery Processing Facilities – Dirty MRF (If Franchisee is Directed to implement SSC MRF Routes and Include Letter Demonstrating Capacity and Ability to Receive Material)
6. Compost Processing Facilities To Be Used (Including Letter Demonstrating Capacity and Ability to Receive Material)
7. Food Scrap Processing Facilities (Including Letter Demonstrating Capacity and Ability to Receive Material)
8. Construction and Demolition Debris Facility To Be Used (Including Letter Demonstrating Capacity and Ability to Receive Material)
9. Transformation Facility If Applicable (Including Letter Demonstrating Capacity and Ability to Receive Material)
10. Collection Vehicles To Be Furnished By Franchisee
11. List of Franchisee-Furnished Personnel
12. Proposed Protocol For Conducting Quarterly Diversion Allocation Audits At All City-Designated MRF's, Compost Facilities, Construction and Demolition Debris Processing Facilities and Transformation Facilities
13. Franchisee's Proposed Annual Diversion by Program/PARIS Code (In the Order Presented in Table 1 in Section 1.6 of Attachment B)
14. Proposer Background and Experience
15. Proposer References
16. Key Personnel
17. Structure of Project Team
18. Resumes, Qualifications and Experience of Key Personnel
19. Pending Litigation
20. Exceptions to Franchise Agreement
21. Financial Statements
22. Franchisee's Detailed Description of Diversion Programs
23. Number and Types of Containers To Be Furnished By Franchisee and Cart Specifications
24. Franchisee Proposed Cost-Saving Innovations for Operations
25. Proposed Rates To Be Charged

6 FRANCHISE AGREEMENT AND FRANCHISE AGREEMENT ATTACHMENTS A-BB

7 APPENDICIES TO REQUEST FOR PROPOSALS

1. Appendix 1: Waste Management 2012 Annual Report
2. Appendix 2: Waste Management 2011 Annual Report
3. Appendix 3: 2011 Lake Forest CalRecycle Annual Report
4. Appendix 4: 2011 Disposal Reporting System (DRS) Tonnage Summary